GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:4070
ANSWERED ON:18.04.2002
POWER TARIFF BY SEBS TO COAL INDIA LTD.
ANANTRAO GUDHE

Will the Minister of POWER be pleased to state:

(a) whether NTPC gives power to State Electricity Boards at the rate of Rs.1.80 perunit while SEBs charge as much as Rs.4.50 per unit to Coal India Limited;

(b) if so, whether the Government are considering rationalisation of power tariff and check subsidization by SEBs;

(c) whether Coal India has sought rationalisation of freight charges by the Railway toenable coal sector to be competitive and cost effective; and

(d) the details of action taken/proposed to be taken in this regard along with the present status of reforms?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : The charges of Electricity generated by NTPC to the Boards vary from66.65 paise/kwh to 398.49 paise/kwh depending on project to project. The retail tariff for various categories of consumers is fixed by State Electricity Regulatory Commissions (SERCs) or by the State Governments/SEBs.All India average tariff for various categories of consumers during the year 2000-01 was as under :-

```
Agriculture  28.48 paise/kwh
Domestic  173.40 paise/kwh
Industry  359.04 paise/kwh
Railway traction 420.76 paise/kwh.
```

Government of India enacted the Electricity Regulatory Commission Act,1998 with a view to rationalise electricity tariff, transparent policies regarding subsidies etc. Central Government has already established CERC and so far 20 States have eithernotified or set up SERCs.Twelve SERCs have issued tariff orders.One of the principle governing the fixation of tariff by SERCs is that tariff should progressively reflect cost of supply and if a State Government wants to subsidise a consumer or class of consumers ithas to compensate the person affected by the grant of subsidy.

(c) & (d) : Yes, Sir. A consensus was reached in the Conference of ChiefMinisters/Power Ministers held in March, 2001 on the need to depoliticise power sector reforms and speed up their implementation. The Government of India has signedMemoranda of Understandings (MOUs) with twenty one States.The MOUs are a jointcommitment of the Centre and the States to undertake reforms in a time bound manner. The State Governments commitment in these MOUs include setting up of the StateElectricity Regulatory Commission, 100% metering of 11 KV feeders and all consumers, energy audit, reduction of technical and commercial losses, achievement of commercial viability in distribution etc. Government of India has committed its support throughadditional allocation of power from Central Generating Stations and financial assistancefor strengthening of sub-transmission and distribution as well as for renovation and modernisation of thermal and hydel power plants.